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FISCAL ANALYSIS OF MENTAL HEALTH REDESIGN



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PURPOSE OF REPORT

Builds off the Forum's 2013 baseline analysis to:

- 1. Assess the fiscal impacts of the County's mental health redesign activities to date.**
- 2. Use that knowledge to consider how a fully redesigned system will impact BHD's finances.**

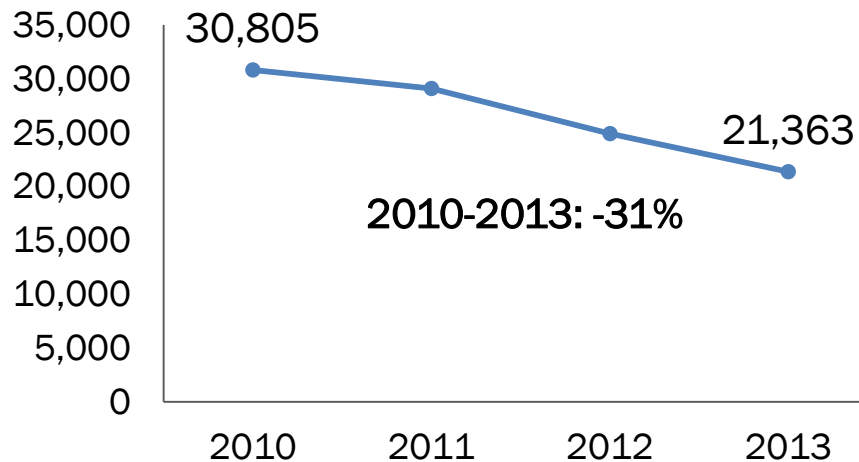
Will continued bed reductions generate the savings needed to achieve desired levels of community-based services?

METHODOLOGY

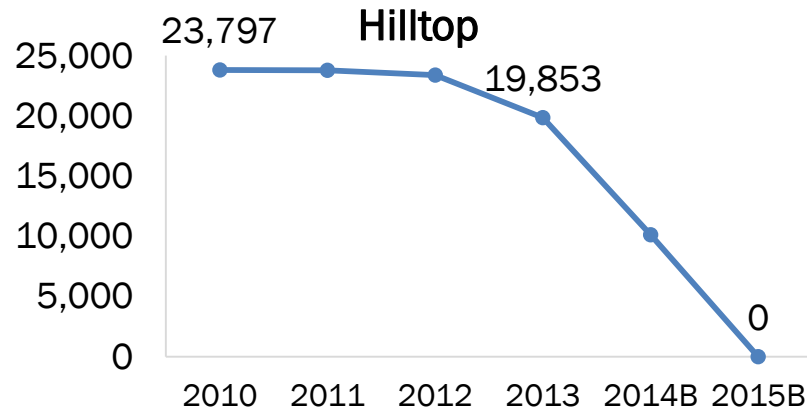
- **“De-construct” BHD's budget to isolate direct and indirect cost centers and distinguish between hospital and community-based expenditures.**
- **Examine actual spending and revenue from 2010-2013.**
- **Review 2014 and 2015 budgets.**
- **Develop financial projections for 2017 under three adult inpatient bed scenarios.**

MENTAL HEALTH COMPLEX PATIENT DAYS

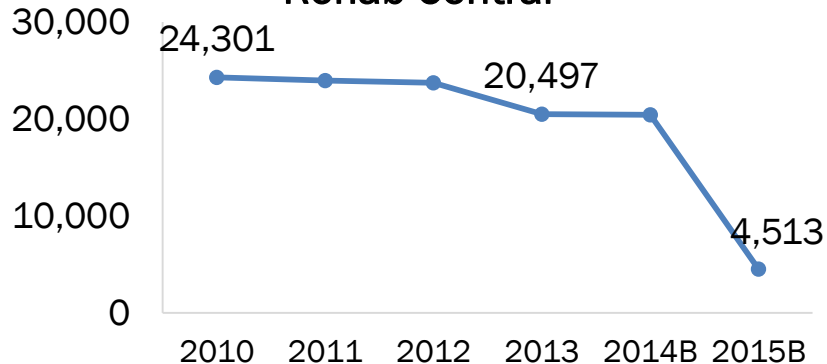
Adult Inpatient



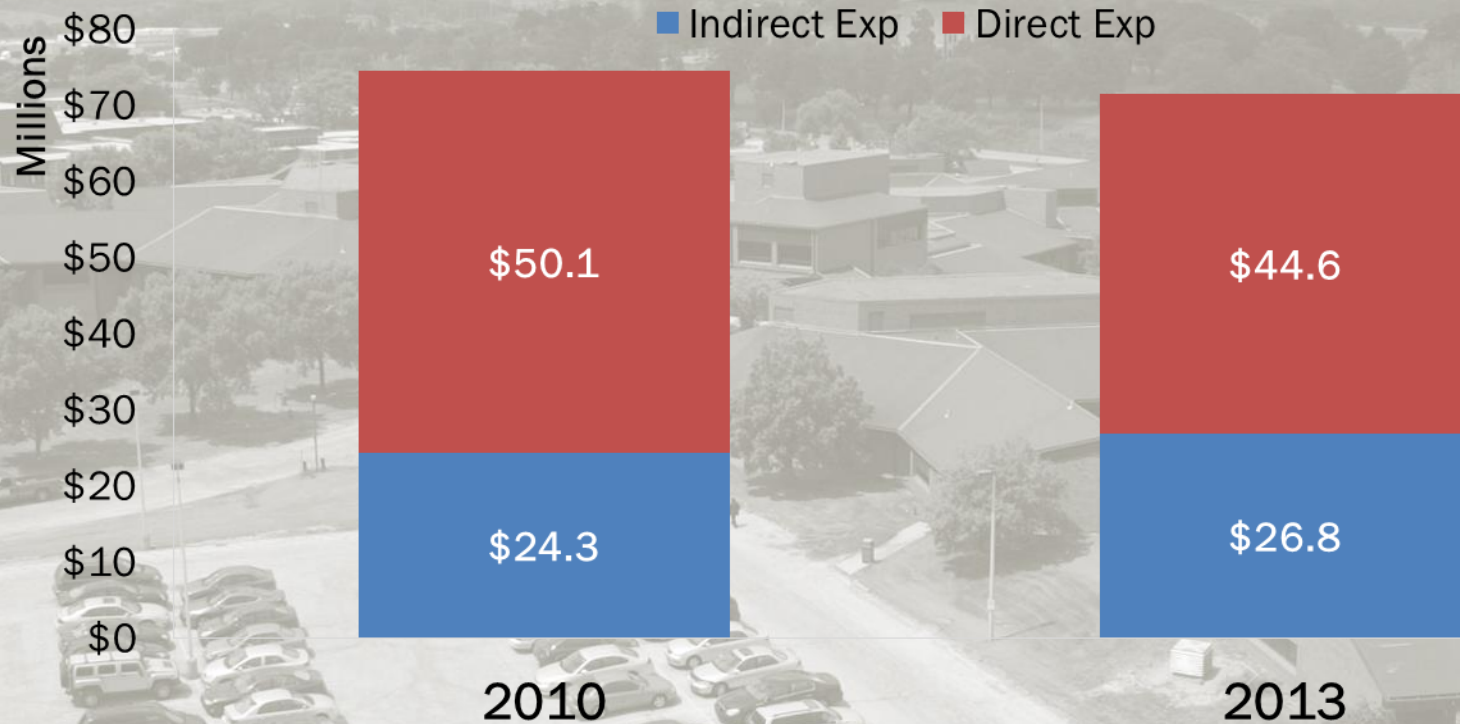
Hilltop



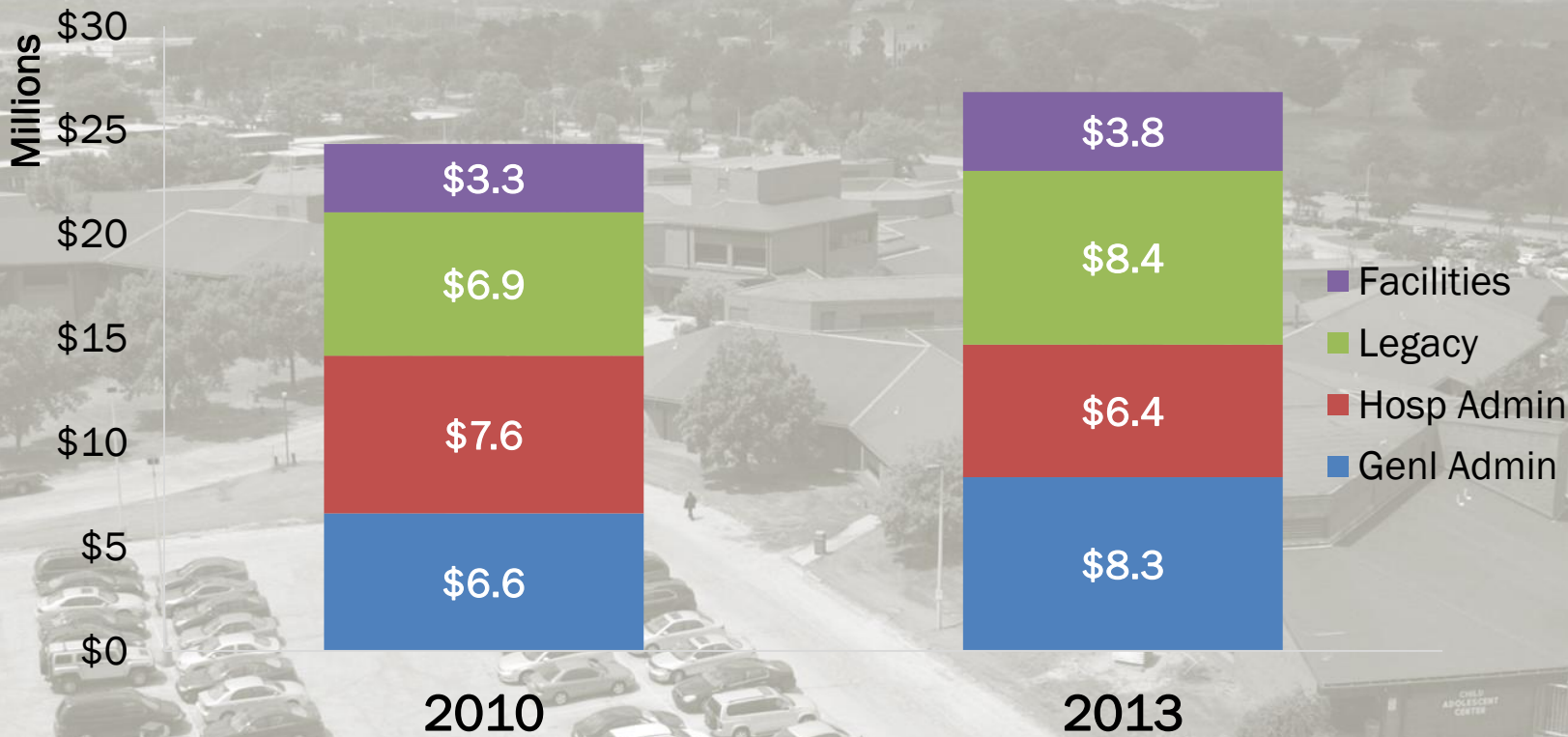
Rehab Central



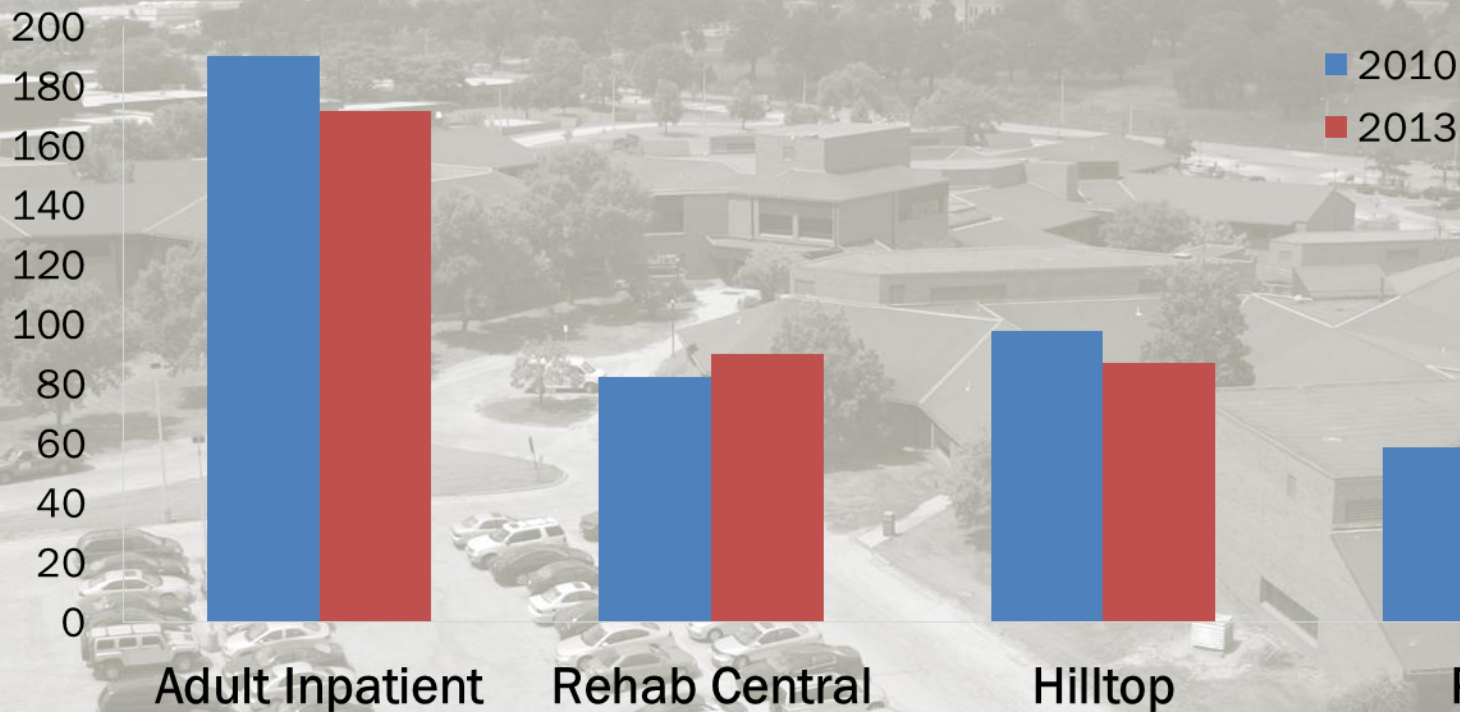
TOTAL EXPENDITURES



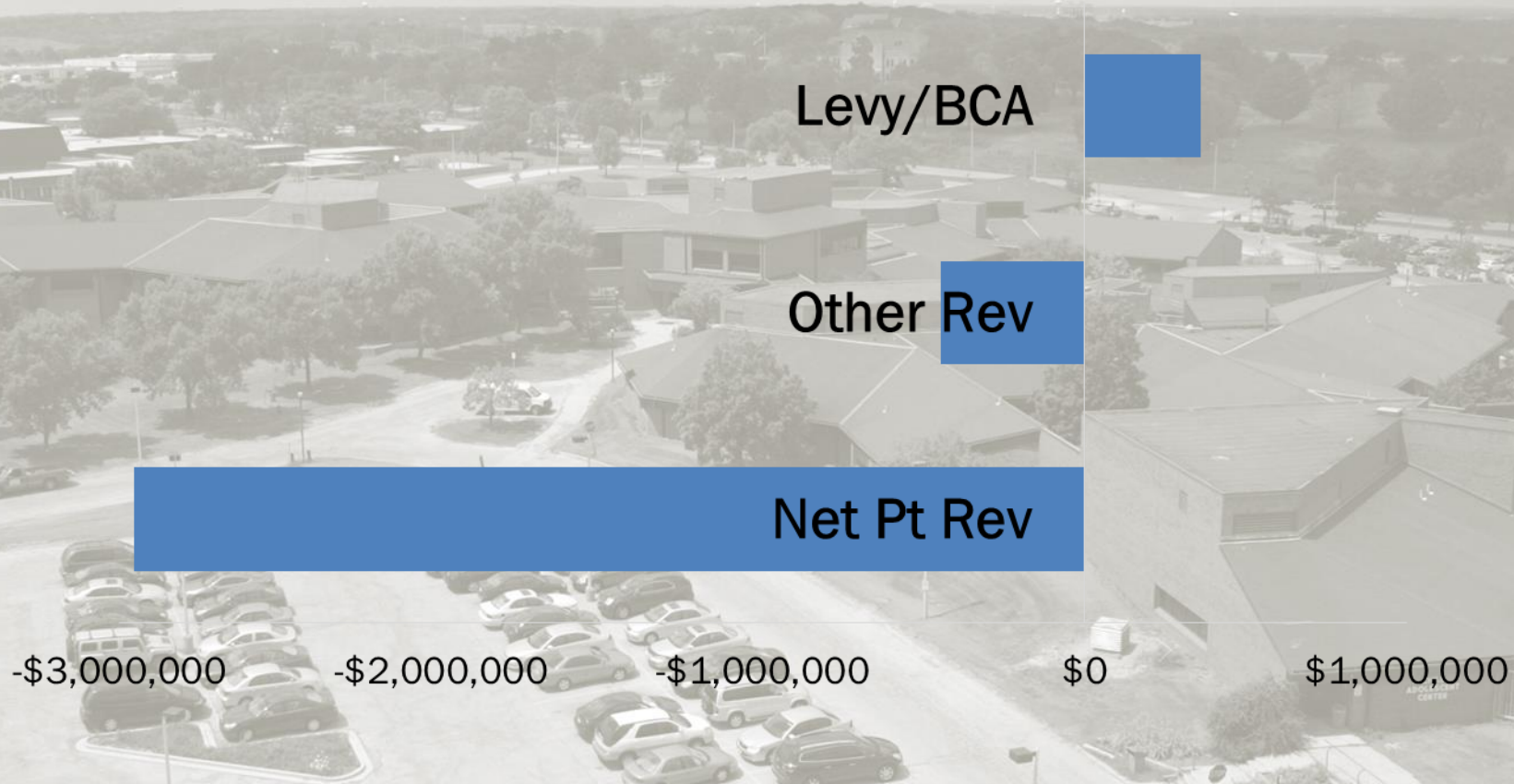
BREAKDOWN OF INDIRECT EXPENDITURES



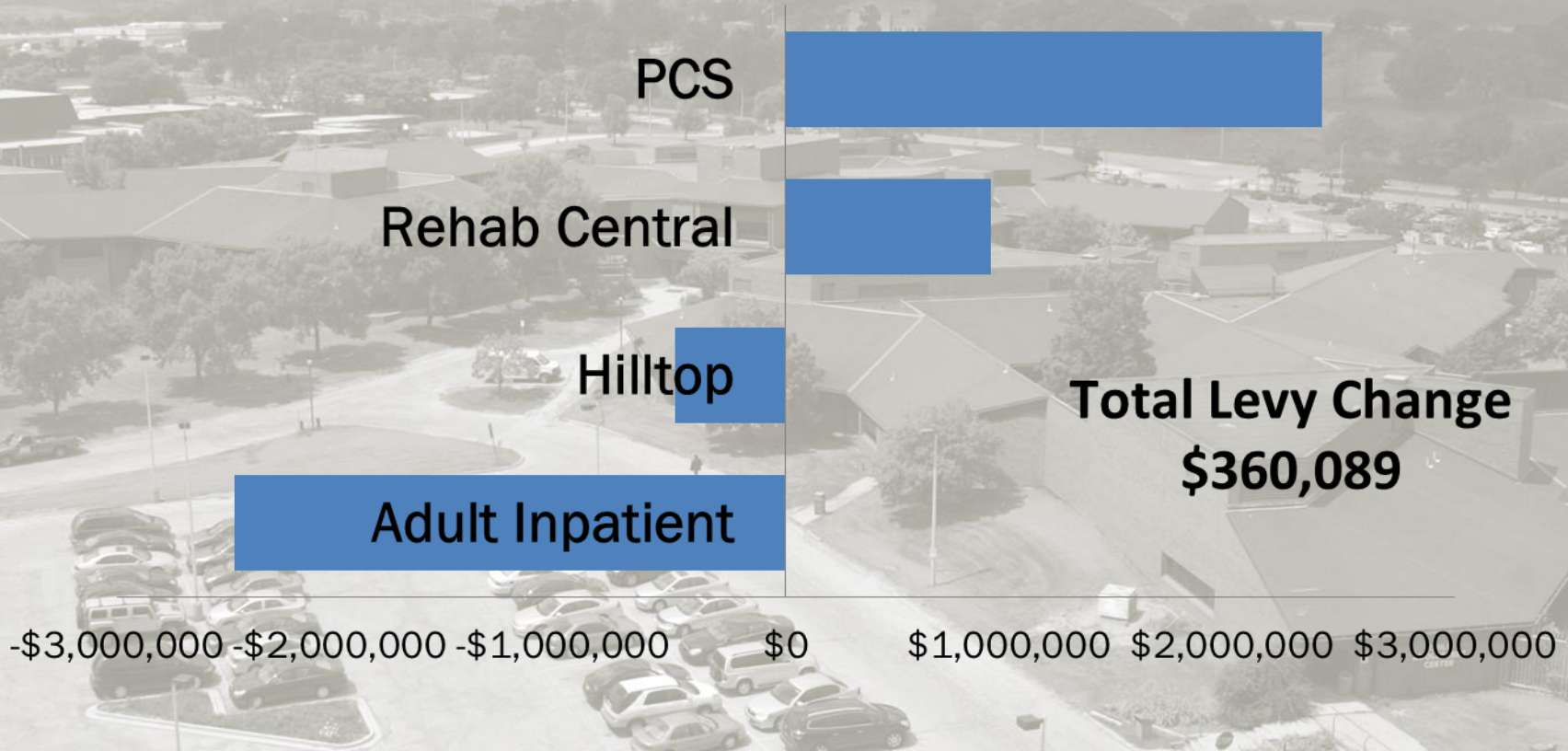
FULL-TIME EMPLOYEES



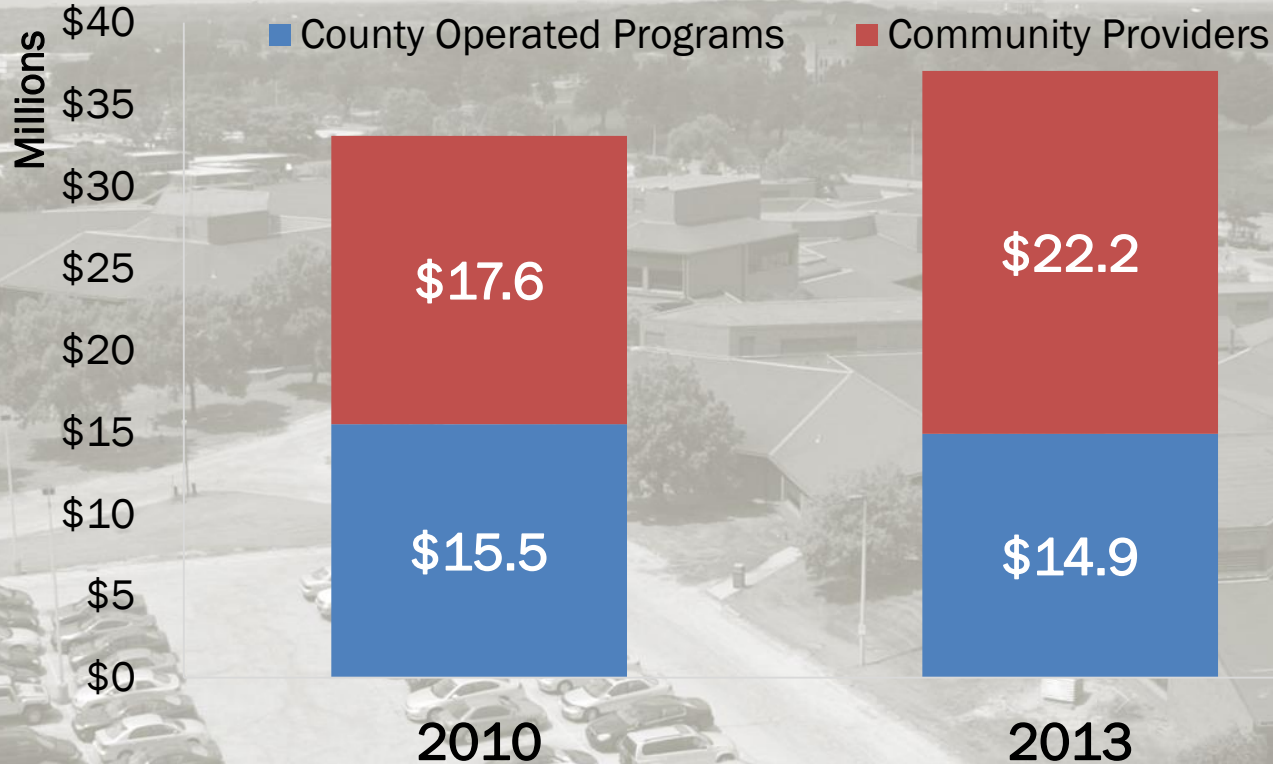
CHANGE IN REVENUE SOURCES



LEVY BREAKDOWN BY MHC FUNCTION

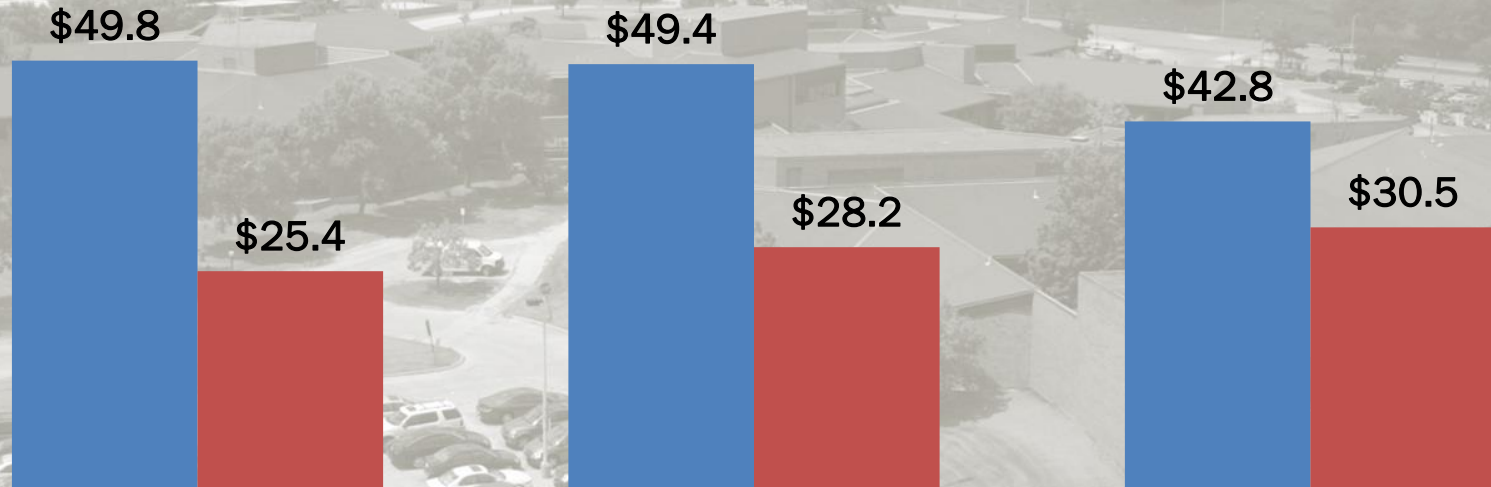


COMMUNITY-BASED EXPENDITURES



2014-15 BUDGETS: PROPERTY TAX

■ MH Complex ■ Community Based Services

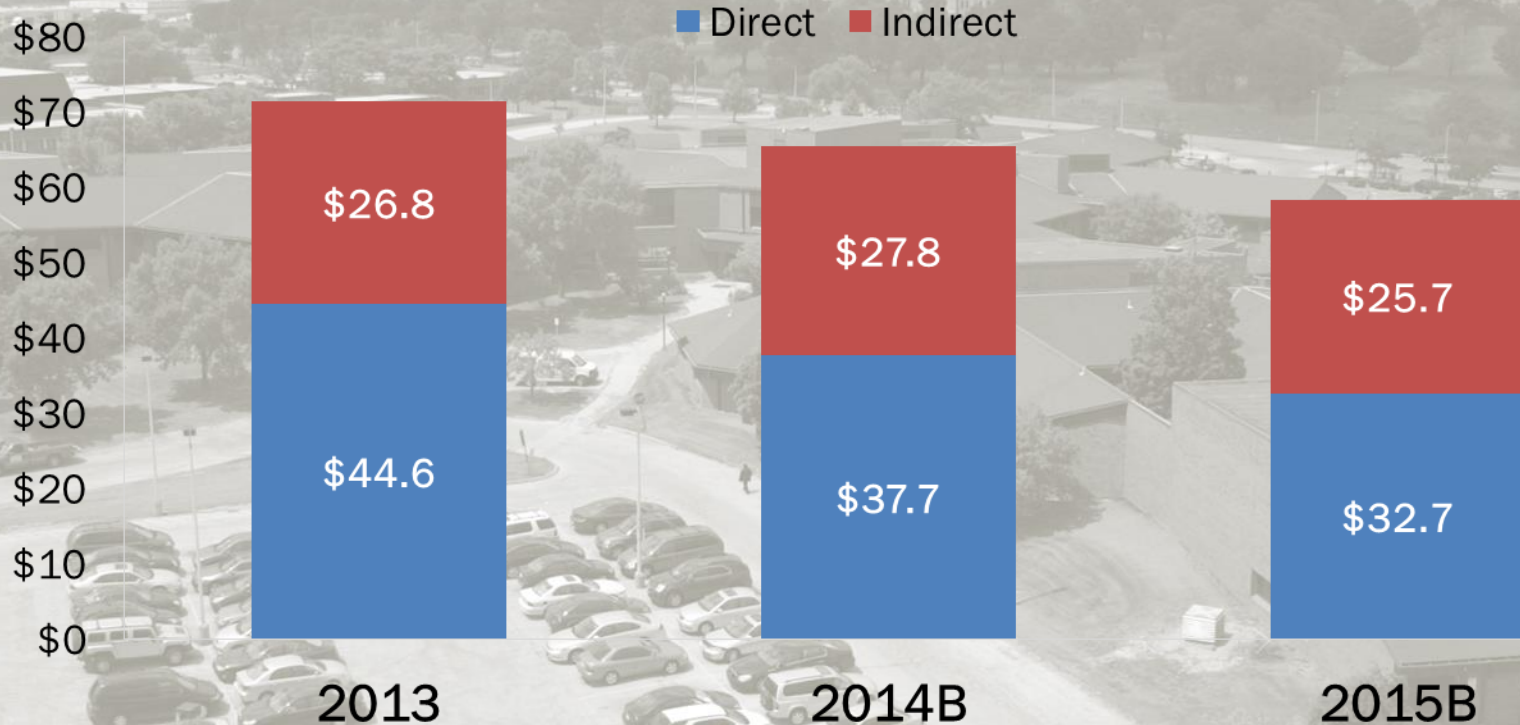


2013 Actual

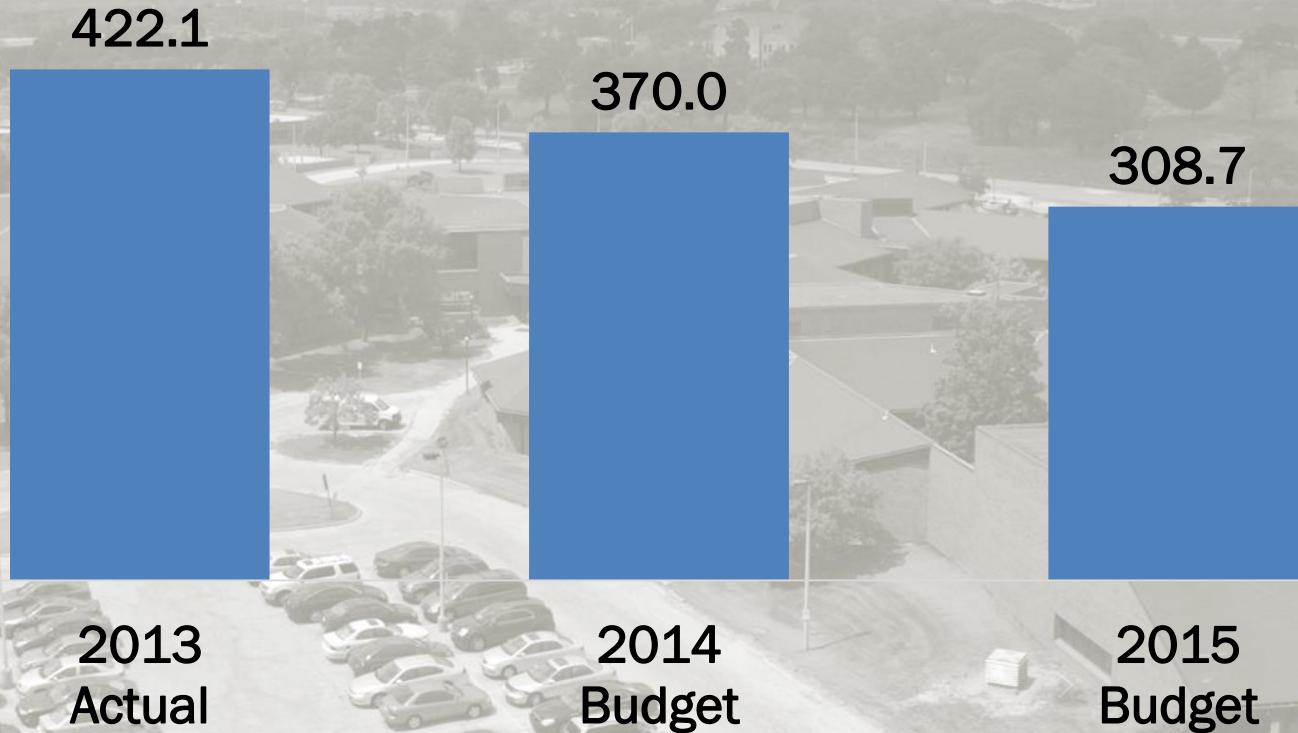
2014 Budget

2015 Budget

2014-15 BUDGETS: MHC EXPENDITURES



2014-15 BUDGETS: MHC FTEs



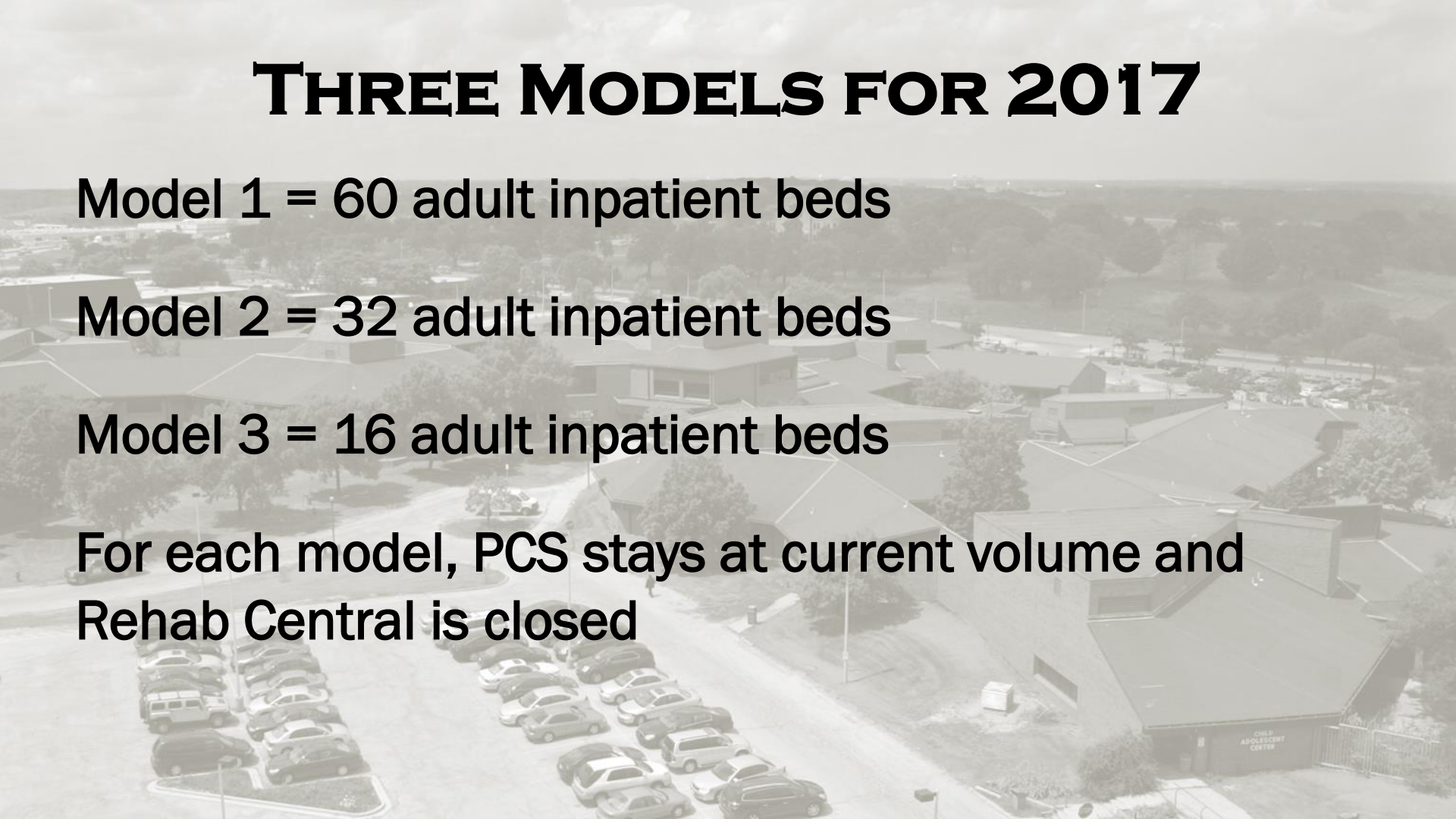
THREE MODELS FOR 2017

Model 1 = 60 adult inpatient beds

Model 2 = 32 adult inpatient beds

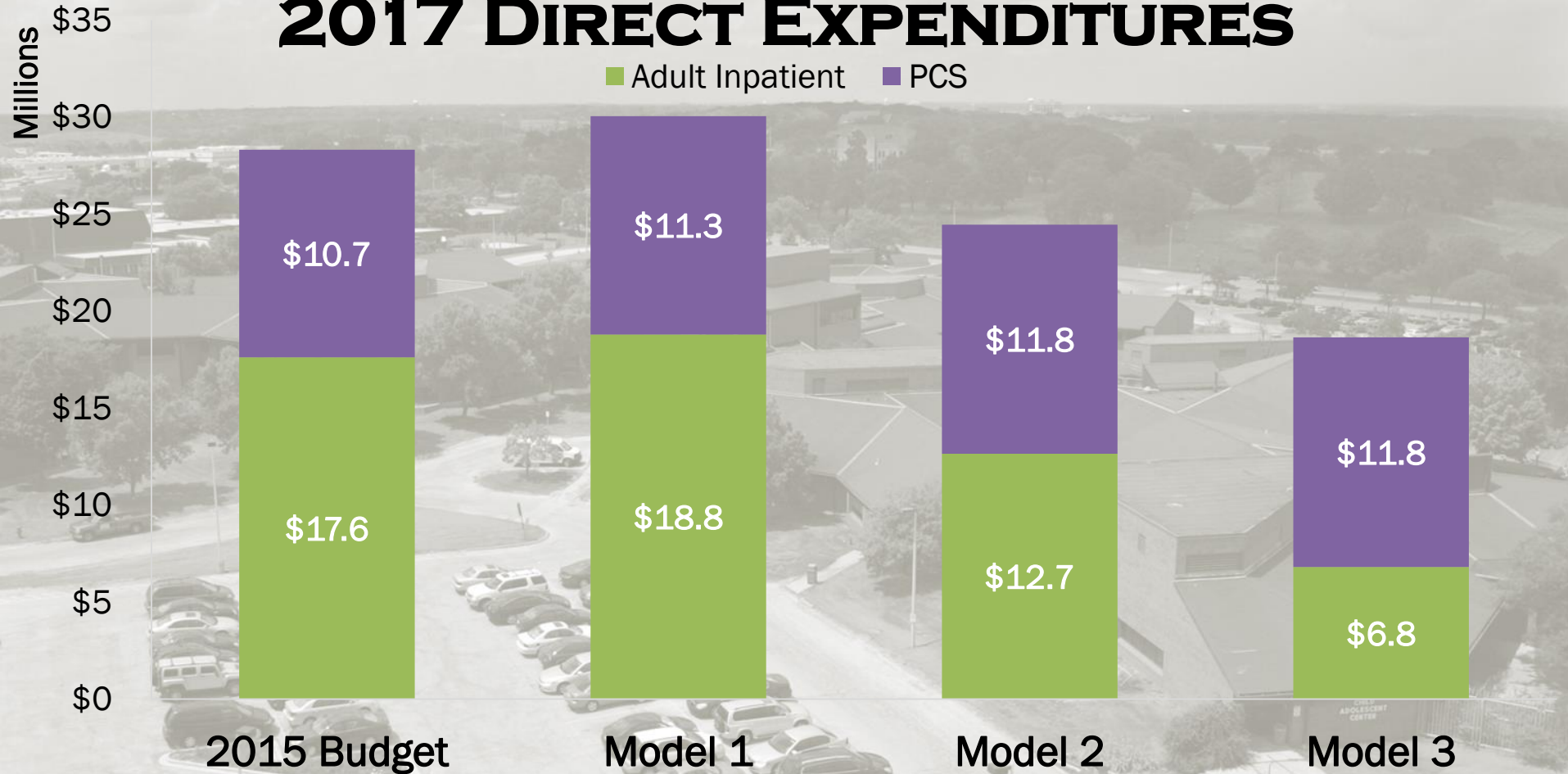
Model 3 = 16 adult inpatient beds

**For each model, PCS stays at current volume and
Rehab Central is closed**

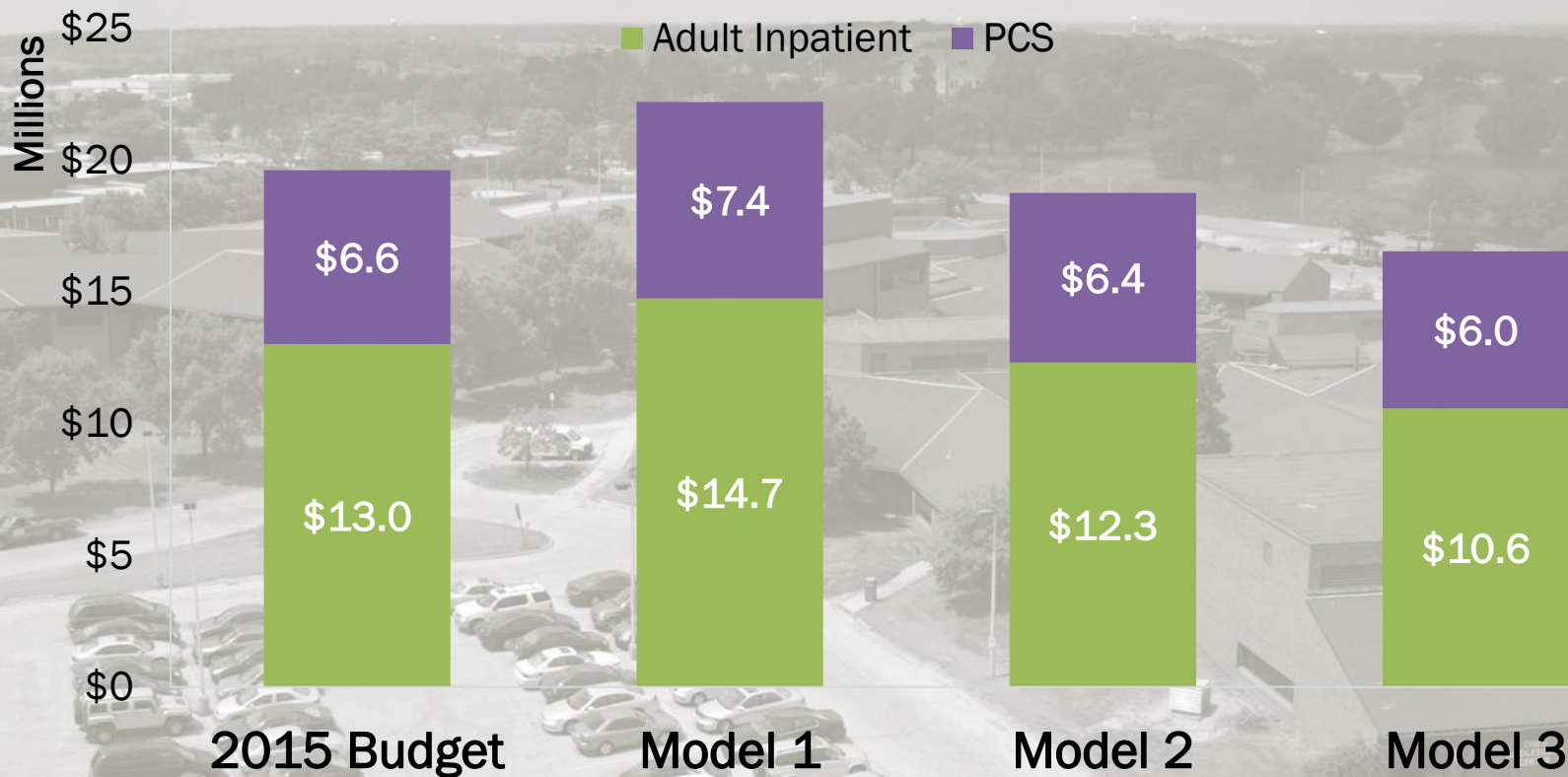


2017 DIRECT EXPENDITURES

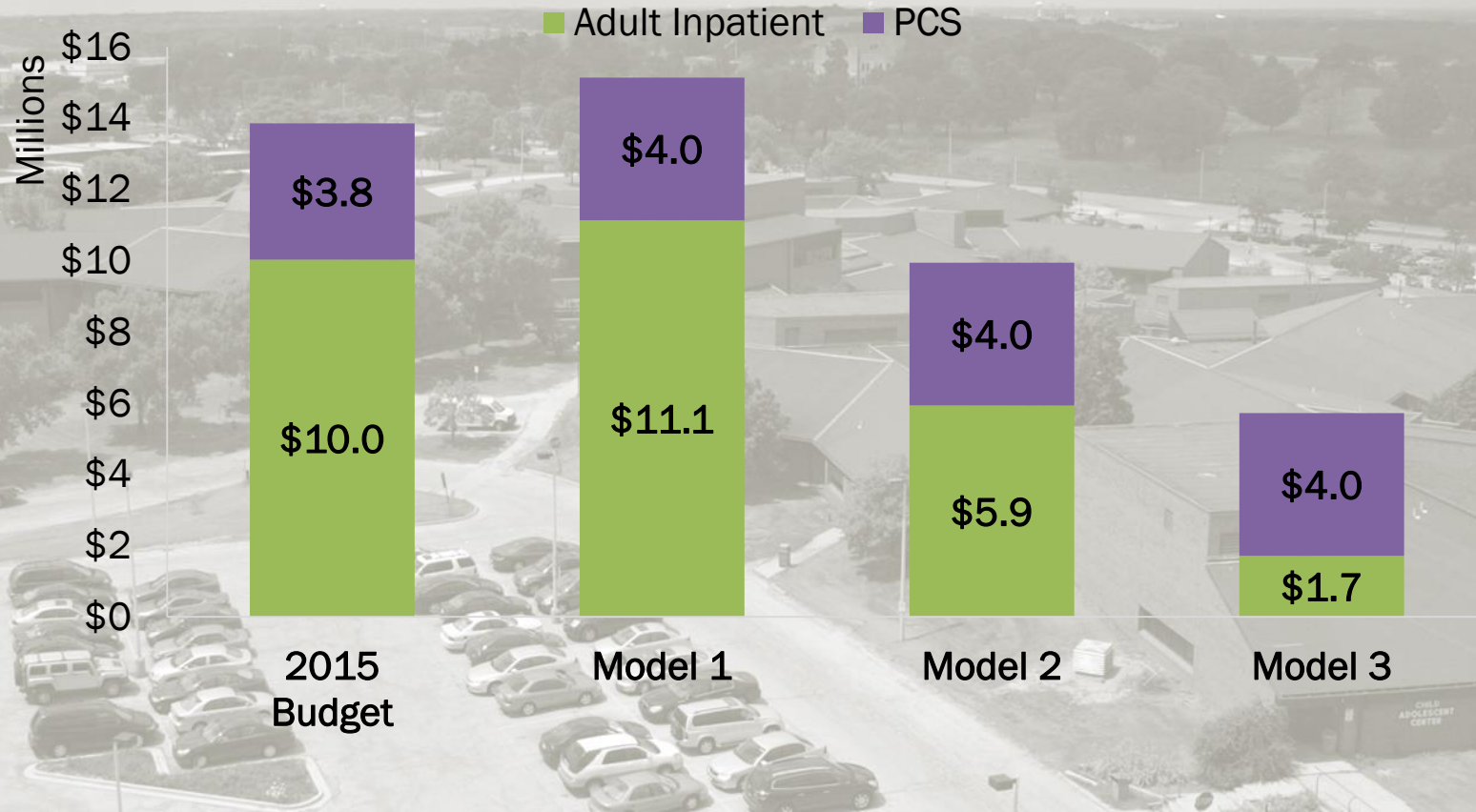
■ Adult Inpatient ■ PCS



2017 INDIRECT EXPENDITURES

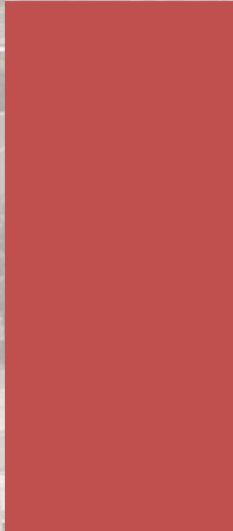


2017 REVENUES



REHAB CENTRAL CLOSURE

\$8.2



2015
Budget

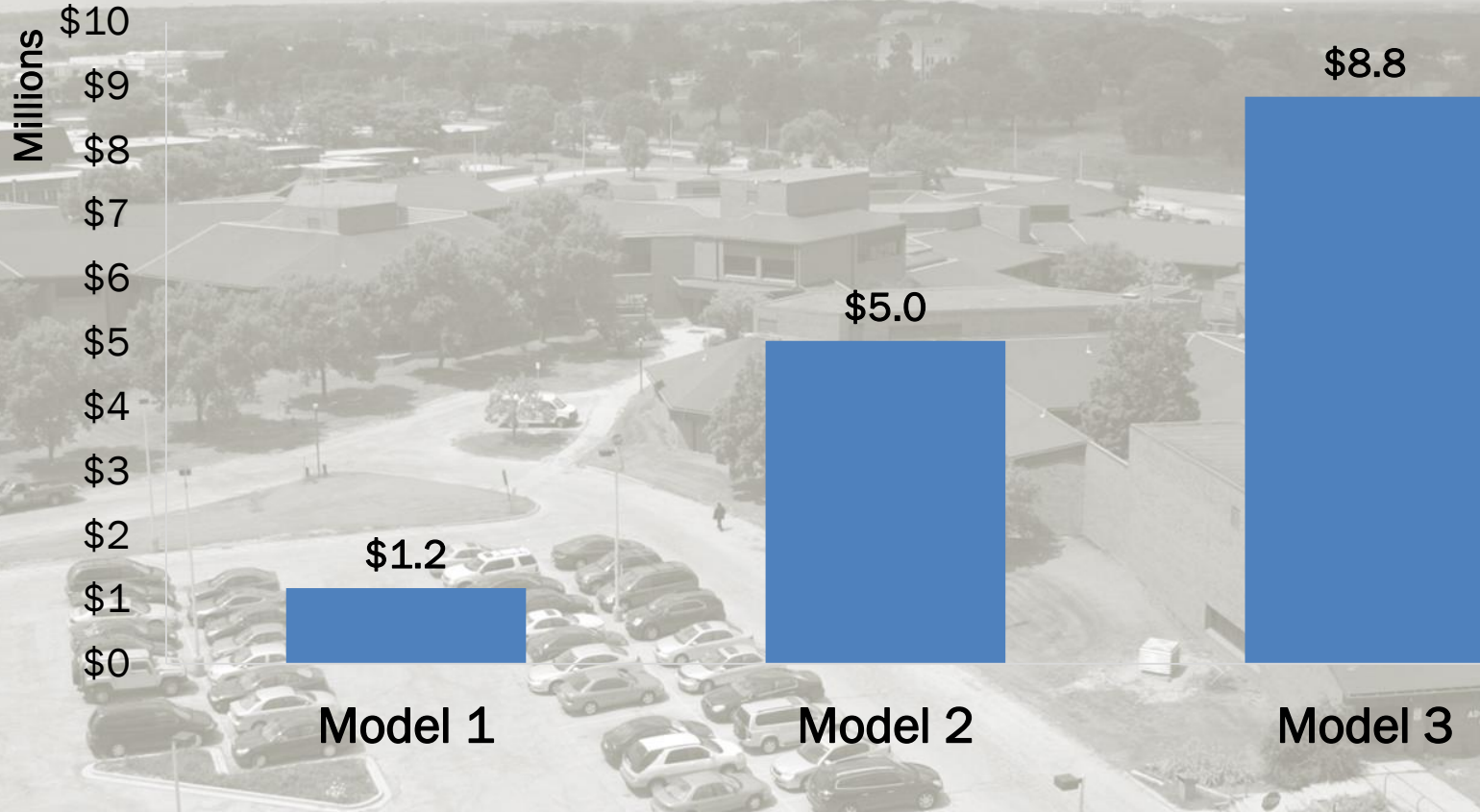
\$4.0



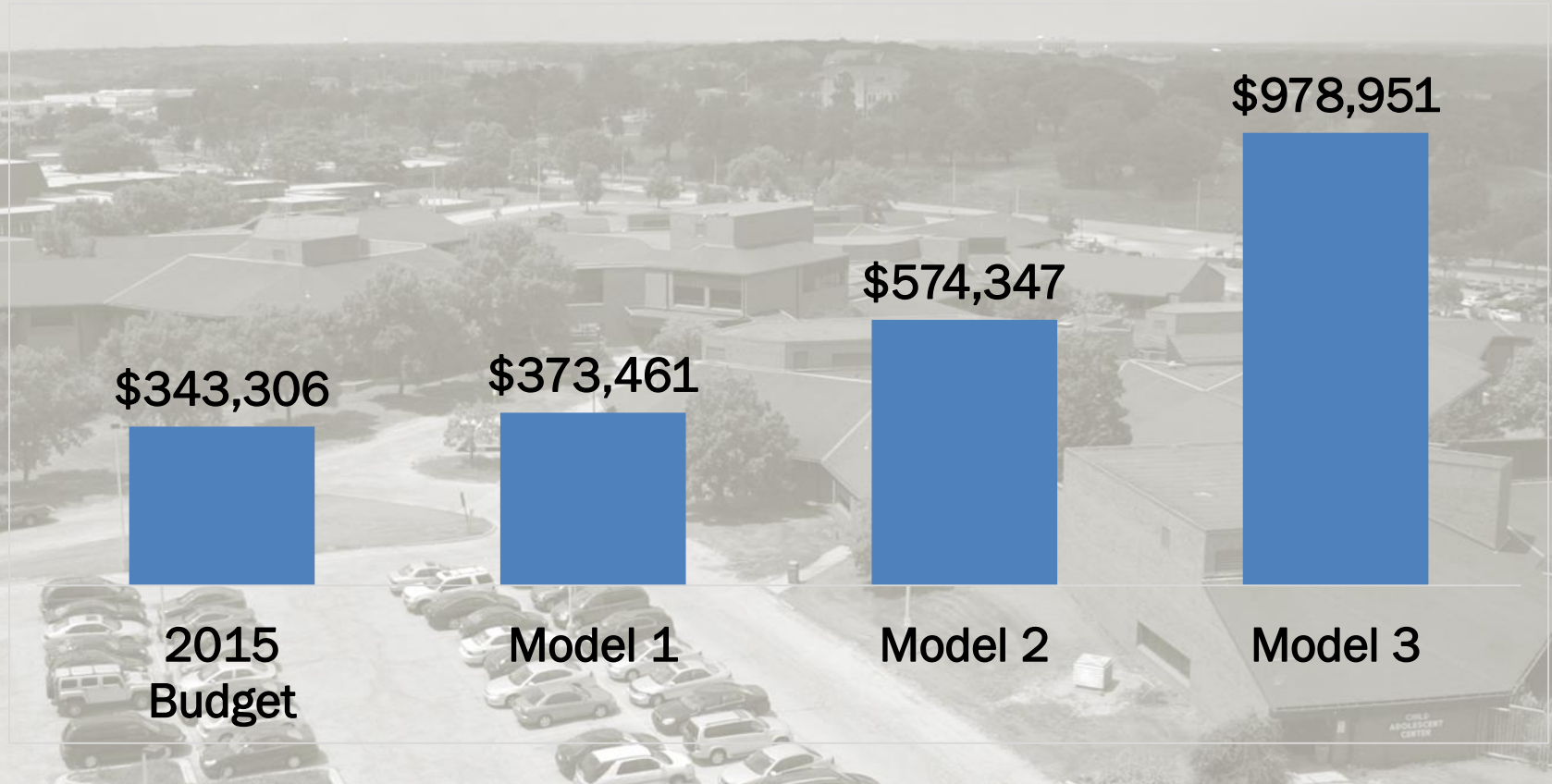
2017
Projected

**\$4.2 million
savings**

2017 ESTIMATED LEVY SAVINGS

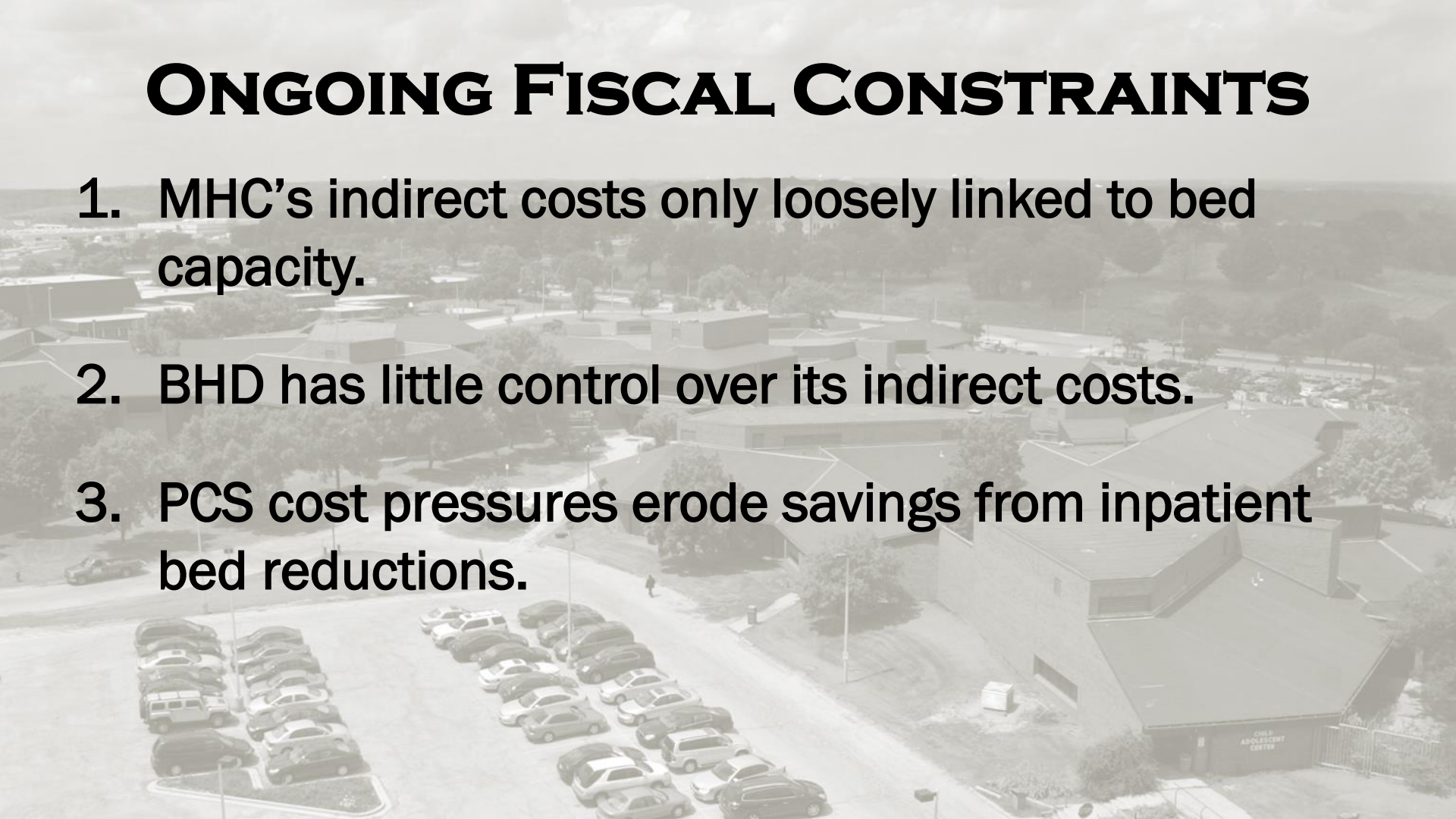


2017 ESTIMATED LEVY COST PER BED



ONGOING FISCAL CONSTRAINTS

- 1. MHC's indirect costs only loosely linked to bed capacity.**
- 2. BHD has little control over its indirect costs.**
- 3. PCS cost pressures erode savings from inpatient bed reductions.**

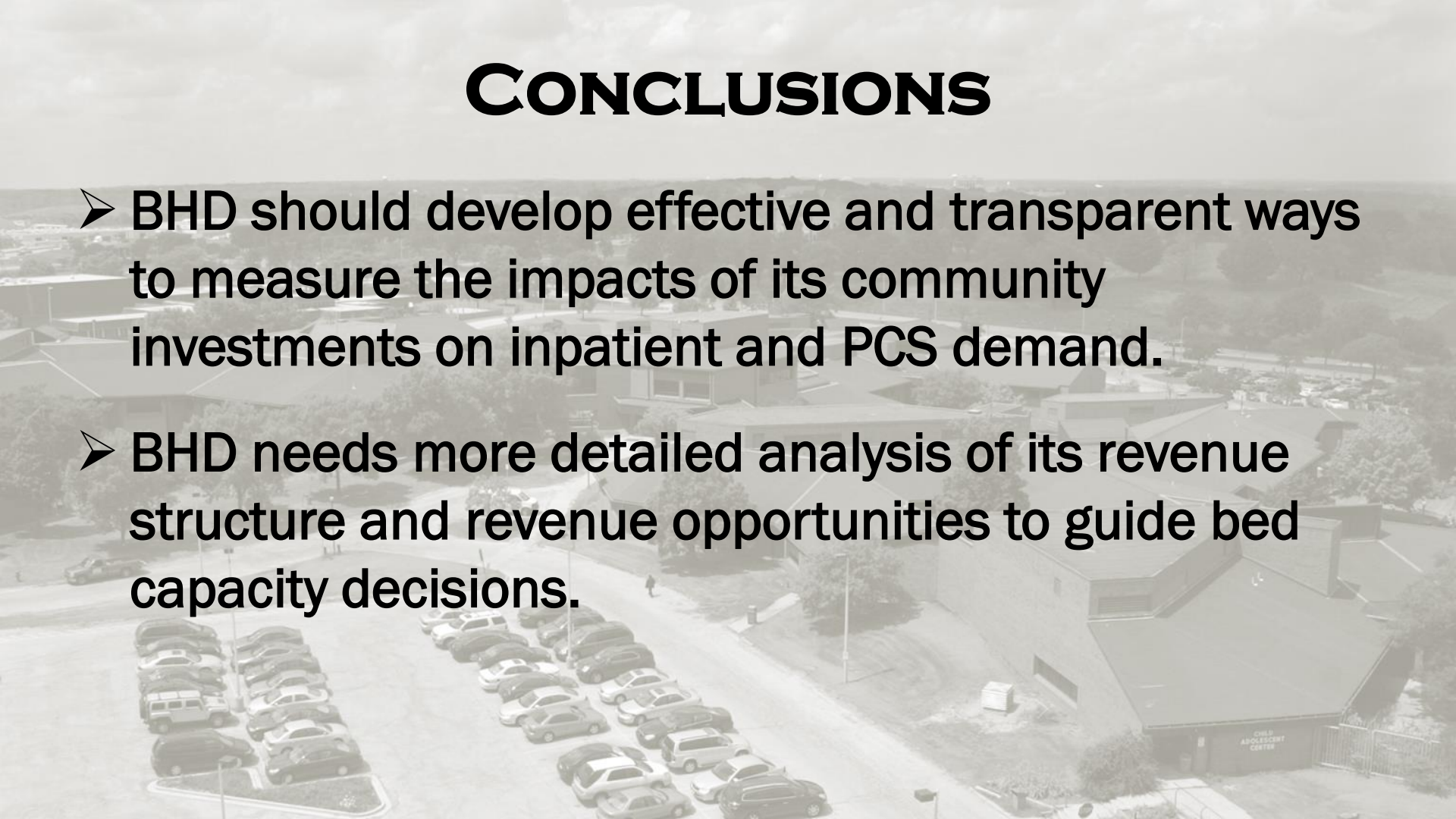


CONCLUSIONS

- Milwaukee County leaders should contemplate a new financial structure for the Mental Health Complex.
- Milwaukee County and State of Wisconsin leaders need to work jointly to address BHD's facility needs and questions.
- The future size, mission, and location of PCS will be central to any decision-making regarding adult inpatient bed capacity.

CONCLUSIONS

- BHD should develop effective and transparent ways to measure the impacts of its community investments on inpatient and PCS demand.
- BHD needs more detailed analysis of its revenue structure and revenue opportunities to guide bed capacity decisions.





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